

SENATE RECORD VOTE ANALYSIS

105th Congress
2nd Session

Vote No. 232

July 23, 1998, 1:32 p.m.
Page S-8838 Temp. Record

COMMERCE-JUSTICE-STATE/Economic Reforms in Japan

SUBJECT: Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Bill for fiscal year 1999 . . . S. 2260. Lieberman amendment No. 3280.

ACTION: AMENDMENT AGREED TO, 98-2

SYNOPSIS: As reported, S. 2260, the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Bill for fiscal year 1999, will provide a total of \$33.239 billion in new budget authority, which is \$1.115 billion more than appropriated for fiscal year (FY) 1998 and is \$3.647 billion less than requested. The bill contains large spending increases for various law enforcement activities.

The Lieberman amendment would express the sense of the Senate: that the President, the Secretary of the Treasury, and the United States Trade Representative should emphasize the importance of financial deregulation, including banking reform, market deregulation, and restructuring bad bank debt as fundamental to Japan's economic recovery; and the President, the Secretary of the Treasury, the United States Trade Representative, the Secretary of Commerce, and the Secretary of State should communicate to the Japanese Government that the first priority of the new Prime Minister of Japan and his Cabinet should be to restore economic growth in Japan and to promote stability in international financial markets. The amendment is based on several findings that describe Japan's current economic problems, the steps that Japan is taking to address those problems, and the effects those problems are having on neighboring countries' economies and on the United States' economy.

Those favoring the amendment contended:

Tomorrow the Liberal Democratic Party will meet in Japan to choose Japan's next Prime Minister. We have offered this amendment to remind those party members of the United States' profound and friendly concern with the state of Japan's economy. In the recent election in Japan, the citizens of that country clearly signaled their desire for strong economic reforms. Such reforms will have to be made if the current Asian financial crisis is going to come to an end.

(See other side)

| YEAS (98) | | | | NAYS (2) | | NOT VOTING (0) | |
|----------------------------|---------------|--------------------------|---------------|--------------------------|------------------------|--------------------|------------------|
| Republican (55 or 100%) | | Democrats (43 or 96%) | | Republicans (0 or 0%) | Democrats (2 or 4%) | Republicans (0) | Democrats (0) |
| Abraham | Hutchinson | Akaka | Inouye | | Kerrey | | |
| Allard | Hutchison | Baucus | Johnson | | Wellstone | | |
| Ashcroft | Inhofe | Biden | Kennedy | | | | |
| Bennett | Jeffords | Bingaman | Kerry | | | | |
| Bond | Kempthorne | Boxer | Kohl | | | | |
| Brownback | Kyl | Breaux | Landrieu | | | | |
| Burns | Lott | Bryan | Lautenberg | | | | |
| Campbell | Lugar | Bumpers | Leahy | | | | |
| Chafee | Mack | Byrd | Levin | | | | |
| Coats | McCain | Cleland | Lieberman | | | | |
| Cochran | McConnell | Conrad | Mikulski | | | | |
| Collins | Murkowski | Daschle | Moseley-Braun | | | | |
| Coverdell | Nickles | Dodd | Moynihan | | | | |
| Craig | Roberts | Dorgan | Murray | | | | |
| D'Amato | Roth | Durbin | Reed | | | | |
| DeWine | Santorum | Feingold | Reid | | | | |
| Domenici | Sessions | Feinstein | Robb | | | | |
| Enzi | Shelby | Ford | Rockefeller | | | | |
| Faircloth | Smith, Bob | Glenn | Sarbanes | | | | |
| Frist | Smith, Gordon | Graham | Torricelli | | | | |
| Gorton | Snowe | Harkin | Wyden | | | | |
| Gramm | Specter | Hollings | | | | | |
| Grams | Stevens | | | | | | |
| Grassley | Thomas | | | | | | |
| Gregg | Thompson | | | | | | |
| Hagel | Thurmond | | | | | | |
| Hatch | Warner | | | | | | |
| Helms | | | | | | | |

EXPLANATION OF ABSENCE:

- 1—Official Business
- 2—Necessarily Absent
- 3—Illness
- 4—Other

SYMBOLS:

- AY—Announced Yea
- AN—Announced Nay
- PY—Paired Yea
- PN—Paired Nay

So far, the United States has survived the Asian financial crisis relatively unscathed, but that will change if it continues to deepen. By some estimates, worldwide Gross Domestic Product (GDP) growth will fall from 3.7 percent this year to 2.4 percent next year as a result of the crisis. Our agricultural sector, which exports 40 percent of its produce, is already being hurt as sales throughout Asia have plummeted, and other sectors will soon be hurt as the slide of Asian currencies against the dollar will increase imports and put huge new pressures against our exports.

Japan's financial system has fundamental flaws which have only recently been brought to light. Bad bank loans in Japan account for \$574 billion in debt in banks that only recently were claimed to be solvent. Formal and informal barriers severely restrict free competition, often holding foreign market share in certain sectors under 5 percent. The yen has fallen 45 percent against the dollar since 1995. Further devaluation of the yen could lead to a devaluation of the Chinese yuan, which could cause huge economic problems around the world, particularly in the United States.

The Japanese people understand the severity of the problem. In the recent election, the ruling Liberal Democratic Party lost 17 of its 61 seats in the Upper House, and the main opposition party gained a total of 47 seats. We hope that the ruling party will take this stunning loss of seats as a signal that it must not settle for cosmetic reforms--it must change course dramatically.

Japan's recovery is key to ending the financial crisis in Asia. It comprises two-thirds of the total Asian economy. With between \$12 trillion and \$15 trillion in private savings, it has ample resources to end its problems immediately, and resume its enviable record of growth. There is no mystery as to the causes of Japan's financial problems, nor is there any great argument as to the steps that can and should be taken to solve them. We urge Japan to take those steps.

While favoring the amendment, some Senators expressed the following reservations:

We of course favor economic growth in Japan. So does every other Senator. The Senate is working very long hours in an effort to complete this year's appropriations bills on time. It should not use scarce time conducting rollcall votes on matters that everyone knows will pass with overwhelming support. With that objection aside, we support this amendment.

No arguments were expressed in opposition to the amendment.